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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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 DARBY & DARBY PC  
 805 THIRD AVENUE  
 NEW YORK, NY 10022

EXAMINER

POND, ROBERT M

ART UNIT	PAPER NUMBER
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3625

DATE MAILED: 08/01/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/471,971

Applicant(s)

GALUTEN ET AL.

Examiner

Robert M. Pond

Art Unit

3625

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 10 May 2005.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 3-37, 42-76, 81, 83 and 85-88 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 3-37, 42-76, 81, 83 and 85-88 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection.

Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114.

Applicant's submission filed on 10 May 2005 has been entered.

### ***Response to Amendment***

The Applicant previously canceled claims 1 and 2, amended claims 5 and 44, and canceled claims 38-41, 77-80, 82, 84, and 89-91. All pending claims 3-37, 42-76, 81, 83, and 85-88 were examined in this non-final office action.

### ***Response to Arguments***

Applicant's arguments, see Remarks, filed 10 May 2005, with respect to the rejection(s) of claim(s) 3-91 under 35 USC 103 have been fully considered and are persuasive. Therefore, the rejection has been withdrawn. However, upon further consideration, a new ground(s) of rejection is made in view of Ginter and Liquid Audio. The Applicant's Remarks and supporting figure (Figure 1) attempt to distinguish the present invention from Wiser and Ginter. Specific to Ginter, the

analysis indicates that any offer packaged with Ginter content is a one-time event – absent of a validation loop or similar feature, the offer packaged with the content is fixed regardless of upstream business parameter changes that may occur over time after the content has been received by a consumer.

The Examiner appreciates the Applicant's analysis but respectfully disagrees with the Applicant's analysis of Ginter (Assignee: InterTrust). Ginter specifically discloses that "rules and controls" can be separately delivered. "Rules and control" may travel with the content they apply to, or "rules and control" can be delivered separately from content. Ginter further discloses that since no one can use or access protected content without permissions from corresponding "rules and controls," the distributor can control use of content that has already been (or will be in the future) delivered. "Rules and controls" may be delivered over a path different from the path used for content delivery. "Rules and control" may also be delivered at some other time. Content may be used at the time it is delivered, or it may be stored for later use or reuse (see col. 55, lines 14-37). Ginter discloses "rules and controls" may be distributed at different times, in different ways, and by different VDE participants (see Fig. 2A; col. 52, lines 30-35). Ginter further discloses a given piece of content may be subject to different control information at different times or places of handling depending upon the evolution of its content control information. The evolution of control information can occur during the passing along of one or more VDE control information containing objects (see at least col. 46, lines 2-35).

Specific to dynamic updating, Ginter discloses an author changing their control structures (e.g. to reflect a sale, a new discounting model, a modified business strategy, etc.) that a user may or must receive in order to use the content container with the changed control structures. Ginter discloses by example, one or more control structures associated with a certain VDE content container may require a "refresh" for continued authorization to employ such structures, or the control structures may expire. This allows (if desired) a VDE content provider to periodically modify and/or add to VDE control information at an end user's site (employing the local VDE secure subsystem) (see at least col. 289, lines 45-56). Ginter discloses a consumer requesting controls subsequent to delivered content (see at least col. 289, lines 34-45). Ginter further discloses end-users periodically contacting the Virtual Distribution Environment (VDE) to transmit content usage information, replenish their budgets, or to obtain additional control structures (see at least col. 289, lines 5-33). In light of these disclosures, the Examiner is firmly convinced that Ginter discloses dynamic updating of upstream business rules that are delivered with content or subsequent to content delivery either proactively or at the request of the consumer or end-user.

Though not relied upon, Smith (Item: U) provides by example, an explanation on how InterTrust's dynamic updating of upstream business parameters impacts the consumer. For example, imagine that you receive a container enclosed in an E-mail message in which there is an article. In your haste, you forget about the

article for six months. You rediscover the container, partially open the container to read the headline and lead-in sentences. You decide that the whole article is still relevant for a competitive-intelligence project you have going on and so you decide to complete the process and pay for the information. The envelope is opened and the contents are made available under whatever restrictions the rights holders have imposed. Since some time has elapsed, however, the rights holders may have set a bit so that InterTrust will "phone home" to check on the current prices. It may be the case that the distributor of the information has already made the information free or that the price has been reduced in response to competitive pressure. Having checked on the current status, the appropriate purse on your PC is decremented by the current price, if any. If the price has declined, you pay less.

Liquid Audio as cited, provides supporting teachings pertinent to media players and unsolicited offers.

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

1. **Claims 3-17, 19-36, 42-56, 58-75, 81, 83, 85, 87, and 88 are rejected under 35 USC 102(e) as being anticipated by Ginter (Paper #10, US 5,910,987).**

Ginter teaches all the limitations of claims 3-17, 19-36, 42-56, 58-75, 81, 83, 85, 87, and 88. For example, Ginter discloses a system and method for secure transaction management and electronic rights protection. Ginter further discloses:

- receiving from a consumer a request for selected item of information: content delivered in response to consumer search (e.g. abstracts, content titles, promotional materials, relevant dates, names of performers and/or authors) (see at least col. 282, lines 20-27).
- formulating one or more offers are associated with the selected item of information: offering full content or trial offer (see at least col. 131, lines 12-25); one or more offers associated with information requested (e.g. Process B determines "right to read, unrestricted, @\$50; Process B right

to read tender user info, @\$5.50) (see at least col. 250, lines 20-67); multiple offers associated with requested information (e.g. discount on time, billing alternatives based on quantity, incentives based on time of use, access right and extraction right but no copy right) (see at least col. 157, lines 11-67).

- dynamically updating the predefined upstream business rule parameters:  
an author may have made changes to their control structures (e.g. to reflect a sale, a new discounting model, a modified business strategy, etc.) which a user may or must receive in order to use the content container with the changed control structures. For example, one or more control structures associated with a certain VDE content container may require a "refresh" for continued authorization to employ such structures, or the control structures may expire. This allows (if desired) a VDE content provider to periodically modify and/or add to VDE control information at an end user's site (employing the local VDE secure subsystem) (please note examiner's interpretation: dynamically updating resulting in one or more offers based on a sale, new discounts, or strategy) (see at least col. 289, lines 45-56); consumer requests controls subsequent to delivered content (see at least col. 289, lines 34-45). Please note examiner's interpretation: content creator or author, or provider is upstream relative to consumer.
- providing one or more offers to the consumer based on the dynamically updated upstream business rule parameters: as noted above,



dynamically updated controls resulting in one or more offers (e.g. a sale, discounted pricing).

- receiving a selection of one or more of the offers from the consumer:  
supports user selection of subsets of VDE electronic information product (see at least col. 22, lines 10-65); For example, a certain quantity of certain text could mean associated images might be discounted by 15%; a greater quantity of text in the "mixed" increment selection might mean the images are discounted 20%). Such user selected aggregated information increments can reflect the actual requirements of a user for information and is more flexible than being limited to a single, or a few, high level, (e.g. product, document, database record) predetermined increments (see at col. 22, lines 29- 37); or example, the content provider may choose to charge only once for access to a portion of a property, regardless of the number of times that portion of the property is accessed by a user (please note examiner's interpretation: content accessed by a user is content requested by a user) (see at least col. 24, lines 21-24).
- delivering the requested information to the consumer and enabling the consumer to use the delivered information in accordance with the selected offer: main objective of VDE is to deliver requested information to the consumer in accordance with a selected offer; enforces commercial agreements of content delivered to consumers and end-users (see at least col. 5, lines 28-39; col. 8, lines 17-32; col. 14, lines 14-37).

- validating the one or more offers: validating schemes, permission schemes (see at least col. 40, lines 18-29;
- referencing an electronic contract between a content owner and distributor and retailer: electronic agreements between content creator, distributor, and retailer (see at least col. 45, line 58 through col. 46, line 64); agreements, terms and conditions; enacting terms and conditions of agreements involving multiple parties (see at least col. 18, line 63 through col. 19, line 15).
- determining whether the offer is consistent with the electronic contract: enforces agreements through the distribution chain (see at least col. 14, lines 14-16; col. 45, line 23 through col. 46, line 64).
- validating the offer when the offer is consistent: (see at least col. 250, lines 36-67).
- providing an alternative offer when the offer is determined to be invalid: offer is determined invalid and system responds with alternative offer (e.g. Process A requests right to read, tender user info/Process B determines "right to read, tender user info, @\$5.50) (see at least col. 250, lines 20-67);
- providing a default offer when the offer is invalid: offer is determined invalid and system responds with permitted offer (please note examiner's interpretation: a default offer since it is permitted according to current PERC) (e.g. Process A requests unrestricted right to read/Process B

determines "right to read, unrestricted, @\$50) (see at least col. 250, lines 20-67).

- validating step-generating rights data which determine the one or more offers associated with the information requested: system validates rights data with one or more offers associated with information requested (e.g. Process B determines "right to read, unrestricted, @\$50; Process B right to read tender user info, @\$5.50) (see at least col. 250, lines 20-67); validating rights data (see at least col. 156, line 36 through col. 157, line 67).
- generating step is performed prior to the delivering step and the rights data is delivered together with the requested information: distributor distributes right to use the content by sending the content's "rules and control" to a content user such as a consumer; consumer uses content in accordance with the usage-related "rules and control" (see at least col. 53, lines 49-53); "Rules and control" may also be delivered as some other time. Content may be used at the time it is delivered, or it may be stored for later use or reuse (see col. 55, lines 14-37).
- providing the rights data to the consumer in a secure format: (see at least Fig. 5B (302, 808)).
- dynamically updating the rights data: as previously noted (see at least col. 289, lines 45-56); consumer requests controls subsequent to delivered content (see at least col. 289, lines 34-45).

- executing a financial transaction between the consumer and a retailer related to the use of the requested information: executing cash or credit transaction as a result of content usage (see at least col. 5, lines 2-6).
- indicating a player associated with the consumer that the selected information may be rendered according to the consumer's request only when said request is consistent with said selected offer: players (see at least col. 59, line 54 through col. 60, line 4); as previously noted, right to use as specified by "rules and control" for requested content will not allow access to content unless conditions are met to allow access.
- verifying the current validity of the previously selected offer at a point in time subsequent to the selection of the offer: "Rules and control" may also be delivered at some other time; content may be used at the time it is delivered, or it may be stored for later use or reuse (see col. 55, lines 14-37); "Rules and controls" may be distributed at different times, in different ways, and by different VDE participants (see Fig. 2A; col. 52, lines 30-35). Please note examiner's interpretation: once "rules and controls" are sent (either with the content or subsequent to content delivery), validation occurs as previously noted.
- receiving a request from the consumer for additional material about the selected item of information: supplier facilitating addition of additional material about the selected item to be delivered to a requesting consumer

(e.g. reviews, commentary) (see at least col. 258, line 60 through col. 259, line 6);

- providing additional material about said selected item of information to the consumer: browsed or searched information (e.g. content summaries, abstracts, reviewers' commentaries, schedules, promotional materials) (see at least col. 101, lines 8-19).
- providing a sample of said selected item of information: trial use for a limited period of time (see at least col. 131, lines 12-25).
- providing a payment alternative: cash or credit (see at least col. 5, lines 2-6).
- delivering audio information: musical performance (see at least col. 56, lines 54-55).
- delivering graphical information: images, movie, picture (see at least col. 51, lines 7-8; col. 56, lines 54-55).
- delivering electronic information in a secure format: secured, DES encryption (see at least title, abstract; col. 196, line 45-67; col. 198, lines 5-22).
- providing one or more offers in a secure format: (see at least title, abstract; col. 196, line 45-67; col. 198, lines 5-22)
- monitoring the use by the consumer of the delivered information: (see at least abstract; col. 46, lines 44-45).

- detecting the manner of use of the information previously delivered: (see at least col. 220, lines 19-30).
- determining whether the use is within the scope of the selected offer:  
preventing the use when the use is not within the scope of the selected offer: detecting illegal use and halting use (please note examiner's interpretation: determining use is within or not within scope) (see at least col.145, lines 14-33).
- tracking use: effecting a financial transaction according to tracked use: tracking usage; metering; billing method inspecting tracked usage (see at least col. 145, lines 34-62).
- effecting a financial transaction according to the selected offer: (see at least col. 32, lines 31-48).
- pay-per-use: \$5.90 for each viewing (see at least Fig. 4 (cost of unit)).
- pay for unlimited use for a period of time: weekly, monthly, daily in combination with \$1.20 per minute; can read novel as many times without further metering (unlimited use) (see at least Fig. 4 (when to report, cost of unit); col. 55, line 47 through col. 56, line 30).
- receiving a query containing one or more search terms from the consumer: supports dynamic user selection of information subsets of content; consumer search tools, consumer search criteria; hits for user selection (see at least col. 22, line 10 through col. 23, line 14).

- referencing a catalog: accessing electronic catalogs, online catalogs, content catalog (see at least col. 257, lines 13-21; col. 266, lines 13-15); content catalog and search mechanism (see at least Fig. 78 (3322, 3324); col. 281, lines 37-53).
- returning to the consumer one or more content referenced in the catalog: content delivered in response to consumer search (e.g. abstracts, content titles, promotional materials, relevant dates, names of performers and/or authors) (see at least col. 282, lines 20-27).
- receiving from the consumer a content reference selected by the consumer indicating a request for the information: content searched and desirable content downloaded by consumer (see at least col. 279, lines 29-54; specifically lines 38-45).
- receiving from a content owner an electronic contract representing an agreement between the content owner and a retailer: (see at least col. 45, line 23 through col. 46, line 64).
- receiving from the content owner one or more upstream business rules: as noted above, "rules and control" are passed along with or subsequent to content delivery; business parameters specified content creator (please note examiner's interpretation: upstream relative to user who is downstream relative to content creator) is passed to distributor who passes it along to the content user (e.g. creator permits distributor to

markup the wholesale price) (see at least col. 54, line 59 through col. 55, line 2).

- receiving a candidate offer from a retailer: retailer engaging in retail sales with consumers based on offer established between content creator or distributor and the retailer (see at least col. 46, lines 18-34).
- certifying the candidate offer as a certified offer: (see at least col. 45, line 23 through col. 46, line 34).
- sending the certified offer to the retailer: (see at least col. 45, line 23 through col. 46, line 34).
- determining whether the candidate offer is consistent with an electronic contract: as noted above, verifies compliance throughout the distribution chain.
- designating the candidate offer as the certified offer when there are no inconsistencies: enforcing rules and controls consistent with upstream rule(s) (e.g. enforcing rules and control from a) content creator to distributor, and b) distributor to consumer) (please note examiner's interpretation: enforcing rules and controls downstream is certifying no inconsistencies in usage rights passed to the consumer) (see at least col. 52, lines 20-47; col. 53, lines 36-48).
- determining whether the candidate offer is consistent with an upstream business rule: enforcing rules and controls consistent with upstream rule(s) (e.g. enforcing rules and control from a) content creator to



distributor, and b) distributor to consumer) (please note examiner's interpretation: enforcing rules and controls downstream is certifying no inconsistencies in usage rights passed to the consumer) (see at least col. 52, lines 20-47; col. 53, lines 36-48).

- determining whether there is an offer accompanying the request for the selected item of information received from the consumer: offer and counter-offers from consumer (see at least col. 250, lines 20-67).
- system: computer-based systems, personal computers, servers, processors, memory, network, software, operating systems, and applications. Inherent in Ginter are the structures necessary to permit execution of software applications or modularized software for conducting secure transactions and management of secure transaction.

*Pertaining to system and apparatus claims 42-56, 58-75, and 83*

Rejection of claims 42-56, 58-75, and 83 is based on the same rationale as noted above.

*Pertaining to computer readable medium claim 81*

Rejection of claim 81 is based on the same rationale as noted above.

- 2. Claims 18, 37, 57, 76, and 86 are rejected under 35 USC 103(a) as being unpatentable over Ginter (Paper #10, US 5,910,987) in view of Liquid Audio (Paper #26, PTO-892, Item: U).**

Ginter teaches all the above as noted under the 102(e) rejection and teaches a) content media players, b) downloading content to a consumer, and c) consumers using media players to play content, but does not disclose determining and providing the consumer with a media player. Liquid Audio teaches an online system and method of consumers purchasing and downloading content into a media player. Liquid Audio teaches determining a consumer is requesting a media player and further teaches delivering the media player to the consumer's computer that is activated for consumer use (Paper #26, PTO-892, Item: U, see pages 1-23). Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify the system and method of Ginter to provide an activate media player to a consumer as taught by Liquid Audio, in order to facilitate consumer consumption of purchasable content, and thereby increase sales for the electronic commerce service.

Ginter teaches all the above as noted under the 102(e) rejection, but does not teach supplying an offer to the consumer when there is no offer accompanying the request from the consumer. Liquid Audio teaches all the above as noted under the 103(a) rejection and further teaches providing an offer to a browsing consumer (Paper #26, PTO-892, Item: U, see pages 1-23) Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to

modify the system and method of Ginter to provide an offer to a browsing consumer as taught by Liquid Audio, in order to facilitate consumer consumption of purchasable content, and thereby increase sales for the electronic commerce service.

### ***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

- Smith, Mary Grace; "A new set of rules for information commerce- -Rights-protection technologies and personalized-information commerce will affect all knowledge workers," CommunicationsWeek, 06 November 1995, pg34, Proquest #10792731, 7pgs; teaches super-distribution, InterTrust's content container, changes to upstream business parameters altering rights data for content previously delivered (see at least pages 5 and 6).
- Business Wire; "InterTrust announces a commerce system for digital information providers and payment processing companies," 22 June 1998, Proquest # 30358370, 7pgs; teaches InterTrust's Commerce 1.0.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Robert M. Pond whose telephone number is 571-272-6760. The examiner can normally be reached on 8:30AM-5:30PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Ms. Wynn Coggins can be reached on 571-272-7159. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

A handwritten signature in black ink, appearing to read 'Robert M. Pond', is positioned above the printed name.

Robert M. Pond  
Primary Examiner  
July 25, 2005